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BAKU PETROLEUM-MACHINERY PLANT DOUBLES OUTPUT, BUT PRODUCTION RUNS UNEVENLY

A conference was recently held at the Baku Plant imeni Montin to discuss questions of profit. Members of the economic section of the Azerbaydzhan Academy of Sciences participated in the discussion, the leading points of which were the status of production, and the financial and economic conditions at the plant.

During the course of the conference it was reported that, as a result of the application of new technology, the plant had more than doubled its production under the last Five-Year Plan, while productivity of labor had increased 80 percent. It was said that in the last 3 years the plant had accumulated over 5 million rubles above the plan, and that it had raised its quality indexes by steady lowering of costs and by accelerating the turnover of working capital.

A great part of the conference concerned the resources available at the plant for improving its indexes. Engineers, Stakhanovites, and representatives of the party and trade-union organizations participated in the discussion. It was urged that the percentage of casting rejects be reduced, that production equipment be more thoroughly utilized, and that strict economy be observed in the consumption of metal, electric power, and other materials. A great deal of attention was devoted to the need for even rates of production. It was noted that the bookkeeping, economic-planning, and finance departments of the plant were lagging behind.

The conference worked out a technical organization plan for the utilization of available resources, embodying 100 practical suggestions for increasing the plant's profit.

Addresses by seven participants in the conference appear below:

1. During the postwar Five-Year Plan the production and economic indexes of the Plant imeni Montin were substantially improved without heavy capital outlay. This was accomplished mainly through fuller utilization of available

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plant resources: introduction of new technology, mechanization of labor-consuming work, and more efficient management. The creation of a pipe-turning section within the pipe foundry, for example, eased the transportation load, sharply cut the cost of the pipes, and effected a yearly saving of 300,000 rubles. A new fittings shop was set up, equipped with machine tools which had been idle. It is now turning out all the fittings called for in the plant plan. A change in the design and method of producing iron gate-valves is saving the plant 50-60 tons of iron a month. The casting section of the fittings shop was mechanized at a small cost by installing molding machines and telphers; this raised labor productivity and cut production cost.

Of the plant's total finished output, 80 percent is series-produced. Improving the efficiency of the series methods is of the utmost importance, and calls for increased mechanization of labor-consuming processes. For example, pneumatic equipment for series-production of castings should be made. It is also necessary that an overhead electric traveling crane be installed and put into operation. There must be a change in the technology of stamping to save more metal, and the gathering and removal of chips must be mechanized.

The plant is sustaining great losses from rejects. Rejects among iron castings amounts to 9.4 percent of the output of sound ones. Practical measures to combat this loss must be found.

As for improvement of planning and management, there should be stricter accounting of the consumption of material. Introduction of cost-accounting within the plant will curtail nonproductive consumption of material in the shops, and should lower overhead costs. -- D. Shifrin, acting plant director.

2. The planning department is now engaged in setting up a cost-accounting system for the foundry and the forge shop. Together with the economic section of the Academy of Sciences, the department is proceeding with the installation of instruments for checking and measuring the consumption of electric power, compressed air, and fuel by the shops. Mean-progressive norms for consumption of metal and other materials have been developed and will be put into effect. Release of materials will be organized according to limit cards, drawn up strictly in accordance with the mean-progressive norms. A new method of gauging the economic activity of the plant, approved by the Ministry of Finance, will soon be put into effect at the plant. Deficiencies in all basic equipment and tools will be made up, and then all equipment and tools will be assigned to shops, which will be strictly accountable for them.

Schools for the study of the various aspects of profit should be set up in the plant. -- A. Fataliyev, director, planning department

3. The power section has been given the task of setting up strict norms for the consumption of electric power, and of limiting losses to 15 percent. To carry out these ends, a new line was laid out; one transformer was disconnected and a cross-connection put in. One of the two remaining transformers, which had been carrying a load below its full capacity, was replaced by one of a lower capacity. The electric motors were regrouped, and the electric equipment was put on a full load. A new switch for idle running was installed. Three compressors and a hammer in the forge shop were repaired.

All this, as well as the introduction of a number of new measures, have enabled the plant to save about 8 percent of its electric power, and to improve its efficiency. -- M. Sattarov, chief power engineer

4. Work must be carried out according to a daily schedule, if there is to be a smooth flow of production. The fittings shop should go on an hourly schedule. The accumulation of parts and semifinished units for the finishing shops should

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be strictly limited. The efforts of the entire plant must be directed toward the achievement of even, coordinated activity in the production cycle. -- S. Dadashyan, director, machine-assembly shop

5. During 1950 the machine-assembly shop was twice awarded the plant's transferable red banner. The achievements of the shop were largely due to the skills learned in the Stakhanovite schools, and to the special maintenance program set for the machine tools.

The outstanding shortcoming of the shop is its uneven production rate. The forge shop and the foundry have been supplying sub-assembly parts and units unevenly, failing to get all required parts and units for the finished products to the machine-assembly shop at the same time. Furthermore, a great many parts sent to the shop are found to have flaws. -- a machinist of the machine-assembly shop

6. In 1950 the fittings shop, manned exclusively by graduates of the mechanics school, produced items of greater complexity -- and twice the volume -- than it did at the beginning of the postwar Five-Year Plan. Efficient methods of preparing the machines for work have contributed to this advancement.

Smooth and coordinated operation of the shop has been hindered somewhat by the failure of the supply department consistently to supply small fittings and other materials in sufficient quantity. -- A mechanic of the fittings shop

7. There are considerable resources available at the plant for further exploitation. The metal-cutting machines, for example, are running at only 88.1 percent of their planned efficiency. To bring this figure up to the mark, stand-stills of the machines must be completely eliminated.

Bringing the production rate around to an even flow should greatly improve economic indexes. At present, two thirds of the finished products are put out in the last 10 days of each month. The director of the plant and the production department should take steps outlined by the party organization of the plant to correct the conditions permitting this uneven rate of output. Specifically, the shop directors and the planning and production Departments should see to it that there is a sufficient supply of parts produced and on hand for each month, so that assembly and final processes may run evenly, with no delay.

While the plant is working hard to improve its technical, economic indexes, the planning, finance, and bookkeeping departments are not utilizing the full personnel resources available. Exact cost-accounting is not carried out, and accounting of tools is not strict enough. As a result, their location is not known, and there is no way of keeping track of the amount of wear to which they have been subjected.

Because there is no adequate setup for analyzing the financial status of the plant, the state of the working capital is not known. The finance department is not paying attention to norms, or turnover of working capital. As a result, in the effort for over-all acceleration of the turnover of working capital, the turnover of low cost and highly expendable items is 235 days behind schedule. -- N. Vanchakova, member of the Azerbadzhan Academy of Sciences

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